

FOR PSA MEMBERS: **PUBLIC SERVICE COORDINATING BARGAINING COUNCIL (PSCBC)**

14-11-2024

## Feedback: Special PSCBC meeting – 12 November 2024: Medical aid

Members will recall from the previous *Informus* (copy available on the PSA website or from PSA Provincial Offices) that the Government Employees Medical Scheme (GEMS) reported at the Working Committee meeting on 20 October 2024 that it intended to increase the medical-aid contribution by 13.4% for 2025-financial year.

### 2025 GEMS contribution (member contribution increase)

On 12 November 2024, the GEMS delegation, led by the Principal Officer, made a presentation to the Council, reiterating the intention to increase members' contribution by 13.4%. It reported that because medical aid increased with a lower rate of 2% in 2022, 5% in 2023, and 9.50% in 2024, the Scheme had to consider dipping into the reserves to restore its financial status. GEMS cautioned that it was unable to continue with the same trajectory as it would lead to bankruptcy going forward. As a result, the Board was compelled to approve the 2025 medical-aid contribution increase by 13.4%. Despite the PSA's unhappiness with the proposed increase, the task team reported that communication must be issued by latest 30 November 2024 to comply with legislative requirements.

The PSA noted the presentation with huge disappointment and outrightly rejected the proposed increase as exorbitant, the highest compared to other medical-aid schemes. Labour indicated that the behaviour of GEMS is not sensitive to the plight of members and takes advantage of its monopoly, which is not acceptable. With this attitude, labour will be forced to reconsider its position regarding PSCBC Resolution 1/2006, which gave rise to the establishment of GEMS. GEMS was reminded that its founding principles included affordability and access to medical aid by public servants, however, the current increase violates the very principles as some members might be forced to cancel medical aid based on affordability. Equally, the employer was perplexed and voiced its disappointment as it cannot allow GEMS to erode public servants' income as employees do not only have medical-aid expenses. The employer would thus consider remedies at its disposal.

Subsequently, parties agreed to have an urgent workshop with GEMS to discuss and deliberate on its operations and functioning in the public service. The idea is to find common ground in the interest of the Scheme and membership to ensure affordability and sustainability. The Secretary of the Council was tasked to facilitate the proposed urgent meetings. Members will be informed of developments.

Employees who want to join the PSA can visit the PSA's website, send an email to [ask@psa.co.za](mailto:ask@psa.co.za), or contact a PSA Provincial Offices.

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